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The paths of coffee: A brief economic history of coffee in Colombia

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Abstract

This paper develops a brief history of coffee in Colombia identifying the processes of change in the geography and populations. From the eighteenth to the twentieth century, coffee cultivation represented the basis of household income. Changes in rural and urban culture of the nineteenth century were influenced by the coffee trade, likewise the fundamental transformations of the Colombian economy during the first half of the twentieth century. The Colombian economy and the idiosyncrasy of its people still depend on coffee, especially in rural areas and the Andean ranges.

JEL A, A1, A14, H8, H80, N, N16, N8, N86, Q, Q01, Q13

Introduction



**Engraving depicting the arrival, Martinique, Captain
Clieu Mathias Gabriel who brought to America
the first coffee plant in 1723.**

The least until the first half of the twentieth century, coffee history is the best resource for understanding the geopolitics in Colombia. The various regional

identities and the evolution of political conflicts were the result of the way of coffee production. All operators who have participated in the history makers (individuals, organizations, institutions) made decisions on the movement of capital or the deployment of its workforce in a context marked by a deep tension between separated and go to where the rate of pay were higher, or remain attached to past commitments to retrieve values and realized. The way to resolve this tension between immobility and movement within the regional geographic space is crucial to understanding the history of coffee in Colombia.

Basic research of the coffee economy have shown that regional class alliances were established in territories loosely, usually in the central mountains of Colombia (though not exclusive or sole) and organized through the state, being a necessary response to the inevitable need to defend and values embodied and structured regional coherence achieved. Proposed partnerships actively promoted favorable conditions for new forms of accumulation in the regions. But as evidenced during the second half of the twentieth century these alliances were hopelessly unstable. They could not contain the fundamental forces introduced in the second half of the twentieth century the drug economy and armed conflict. What projects such alliances was rather an internalization of these crises in terms of divisions between classes and between regional factions potentially explosive. The boundaries of these alliances and their history are porous and are subject to change.

Palacios meets on the first comparative studies on economic history, social and political coffee in the context of a country's integration into international markets. It aims to identify the historical transformations that occur based on the crop and its hegemonic role in Colombia's exports. How are you caused in the production structures and class dynamics of changes in production structures and classes. Moreover, the way coffee production became the regional forces and relations with the central political power of the state. Following Marx's historical studies, the book gives Palacios considerable importance to the global market linkages, momentum and direction of regional changes, the central argument is that these bonds could be maintained and even strengthened and who do necessary the active presence of the state.



**Hall of packaging coffee Santa Maria.
Taken from La Hacienda, No. 12, Buffalo, 1906.**

The establishment and consolidation of a mono-exporting economy is a step of major importance to the consolidation of a national state. In a context of increasing political fragmentation and regional geography socially dispersed, liberals and conservatives struggled to impose its political hegemony. The cultivation of coffee becomes important factor of resistance and submission versus political power. The cafe also confirms expressions of regional identity and politics in a nation that lacked consistent narrative traditions. A progressive expansion of the boundaries of colonization, the transformation of property forms, the processes of inclusion and exclusion of social groups and political developments centralism, exacerbate the very development of Colombian society. The country smallholders evolve from small units up to become a coffee economy. So the ideal of a nation as changes occur in the concentration of power derived from the cultivation of coffee.



Advertising machines imported from Germany for the benefit of coffee. Coffee Review, 1930.

The coffee economy can teach aspects than only one important item of the national economy. In Colombia, the very dynamics of regional transformation, political conflict and the same state are related to its history. The interpretation of Palacios outlines the history of evolution within the framework of modern nation states of Europe and the United States. The transition from agrarian economies and the development of capitalism in its early stages of the nineteenth century consolidated. So the history of coffee and it redefines the entire Colombian historiography.

We can observe three stages stand out: the consolidation of the coffee economy (1850 - 1910), the boom period (1910 - 1950) and the formation of regional class alliances and the instability of the same (1950 - 2010); The first stage relates to the predominant role of coffee plantations, the second by the expansion of peasant agriculture and the third by new expressions of power in urban centers.

First stage: the first steps

Coffee Geography strongly influences regional identity and political power controls that are manifesting in the departments. Stages of their evolution are not necessarily widespread progress. The first stage takes place between 1850 and the Thousand Days War in 1904. A period marked by violent conflict between liberals and conservatives. Landowners who will then have links in Bogotá were devoted to cultivating and producing coffee in their regions of origin. It was slowly giving ground to export-dependent farmers initiative landowners. The liquid commercial capital came from the mining and snuff, initially was used to purchase land and then for coffee cultivation.



**Worker with coffee for transplanting, Antioquia: 1920.
Taken from Colombia through photography 1842-2010;
Taurus, 2011.**

The coffee farms were originally a colonial heritage, small capitalists who made up the processing of coffee complementary products a relatively self-sufficient. His relations with the workforce were not subordinate to a submissive bondage, but

alternated with various forms of wage labor and free associated producers farms. These landowners, however, had no control over the marketing of houses depended then imported from Europe and the United States. These lines of credit to weather conditions that could occur internally

During this first stage entrepreneurs faced great risks with investments. Internally, the civil wars, mortgages and the devaluation came to mean a challenge as big as the volatility of international prices. The result was the diversification of production with a strong emphasis on the domestic market. The landowners who claimed to specialize in coffee crops will be ruined their capitals. The risks of capital forced even to select investors and the size of investments.

The nature of the investment coffee (size and geographic location) did not come to change social relations, but that suited them. Very reluctantly the hope created by the international markets was having an effect on the composition of social identities in a world slow rural type. The economy is monetized, the land becomes more valuable, open roads and small businesses thrive. It happens with these changes a series of social transformations own economic history since the days of Adam Smith, the coffee farmers acquire social status and political power, while landowners without capital and entrepreneurship are not marginalized. The commercial world breaks through and pushes trade important transitions for the coffee industry.



Historical route of the expansion of coffee cultivation

These social changes cause an agglomeration of small coffee growers are located in the periphery. He is responsible coffee economy help move social hierarchies and process bottom-up movements of the peasantry. It all happens without uprooting the conditions of small farmers and launch them as a work force out of their environment. In the words of Marco Palacios, Colombia was not an "assault on the camp of the capitalists."



Coffee exporters, Manizales 1920; Taken from Colombia through photography 1842-2010, Taurus, 2011

Paradoxically, this happens when coffee production makes its way to the colonization of new lands during the period between 1851 and 1870. A settlement that evolves with social transformations in the Midwest. A great diversity in ownership and production organizations allow the peaceful coexistence of multiple systems of appropriation and distribution of surplus cash, both within the estate and the rest of the Colombian economy. A regional geography also adds new aspects to economic development as its basic sources, population and resources is uneven. This leads to underline the hypothesis that market forces are more disruptive of the orders themselves agrarian forces.

Second stage: mature coffee

The regional economy has a significant impact on organized forms of social organization, also improve public services and coffee departments gain a better stability in terms of its infrastructure. Under these conditions there is the mature

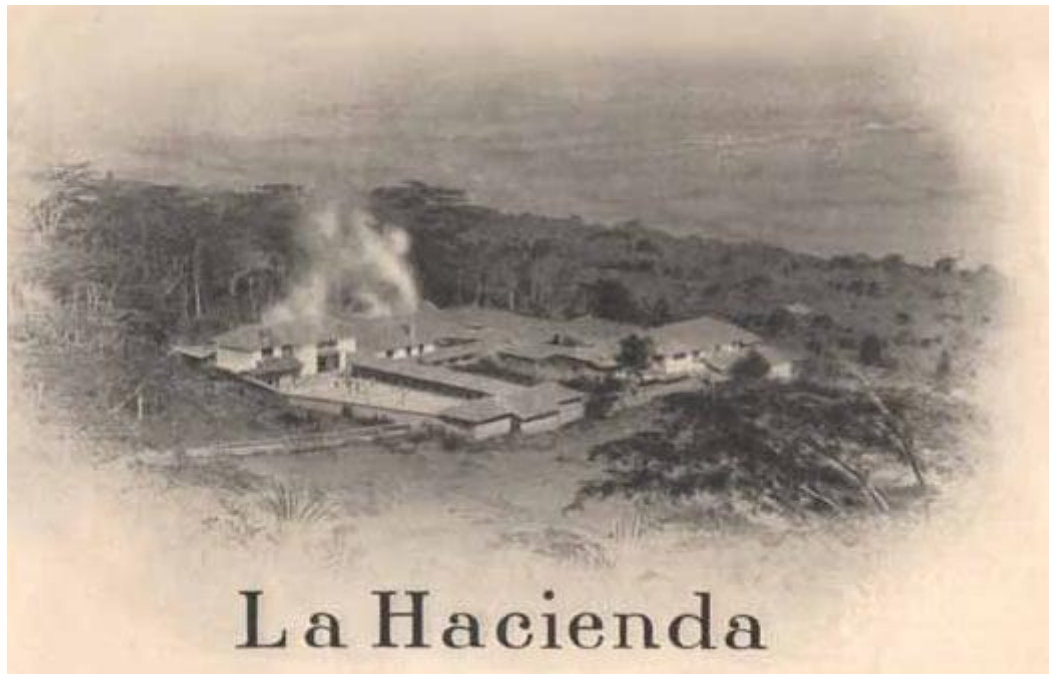
coffee. The second cycle begins with the decline of the estates as a basis for production. The determining factor in this crisis is the fragility of the production unit with a duality resulting from the presence of independent farmers and employees. The existence of such strong rural economies that shared with the company's resources such as land and labor resulted in conflict with any economic crisis.



Start the benefit of coffee.

With the advent of Gaitan and political succession of generation coffee farmers, large estates are crumbling against the social demands of an agrarian reform. These farms had survived since the end of the War of the Thousand Days (despite the disappearance of markets with the First World War) since 1904 while the export drive began to strengthen in the main centers of colonization: the highlands occupied by family farms, i.e., climatically the best land for growing coffee. In this period of transition, the small and medium growers of the Central Cordillera of

Colombia is integrated individually coffee market led by entrepreneurs with ability to control the market (because they manage the financial and business) as monopolies by importers and roasters in Europe and United States.



House of the Hacienda: La Palmita, with beneficiadero and patio for drying coffee. Located in Paramo (Santander), in the vicinity of Socorro and San Gil. Bellarmine Pedro Plata, 1890. Taken from La Hacienda, No. 12, Buffalo, 1906.

The struggle for solidarity as the expressions of regional ownership was then supporting the needs of coffee growers, who gradually found marked differences between the advantages of being near the center of the country or be in the regional periphery. During the second cycle of expansion, the rise of small plots is made possible by the emergence of simple machines manufactured by the industry: the pulping manuals, operated by family labor. The farms are transformed into units that do not integrate fully capitalist production groups, because these are the responsibility of a new class of speculators, the product of the transformation of family firms in coffee exporting companies, characterized by a marked concentration and the financial control of foreign companies that, after the end of the war are mostly American. In the U.S. the process of importing, roasting and

selling is unified, which caused the disintegration of the speculators and brokers. The company, however, remains with extraordinary risks: the requirement of large amounts of capital to a high velocity necessitates a high level of liquidity, which in turn leads to an inexorable financial weakness of the company. As a result of this, the slightest variation in prices (very unstable) freight rates or interest rates put in imminent danger to the company.



Coffee cultivation in the plains. Picturesque Geography of Colombia, Edouard André, 1876.

However, the resistance of a system is just in small farms, the sudden price changes, producing periodic crises in the base are softened by reducing farm income. For any fall in prices, the reaction of any economy is to increase production, which for a time is possible by increasing the acreage. Once pushed to its limits can not increase production because the direct function of the available workforce. Since the broker absorbs the surplus, there is no possibility of accumulation since the household can not increase the self-exploitation. From 1930 to 1970, emphasizing the integration and dependence of small farmers subject to market cycles, greater than those due to natural cycles.

Regions and international business center

Coffee explains in broad economic activity during the first part of the century. Between 1910 and 1930, what we now call the Coffee, became the first national producer of coffee, displacing the traditional departments, as well as to Antioch. The expansion of small holder farming in this area of the country has a considerable impact on the Colombian economy. Extending the coffee farms of medium and small size; worked by people who sell the coffee directly to marketers. The large landowners of Cundinamarca and Tolima you bought or received to tenants and settlers coffee for then place it on the outside. The difference would impact on the extinction of the estates during the thirties.



Mule transport of packages of coffee for a bridle path.

The expansion of cultivation and grain exports had a positive impact on the formation of an internal market for various agricultural products, livestock and manufacturing. Foreign exchange earnings arising from the export of grain and

increasing the purchasing power of the farmers were definitive to promote investment, economic growth and to create a national market for goods and services.

By 1960 the coffee farm reaches its limits as the basis of mono-export economy. Its technological deficiencies, the aging of their plantations, low productivity and the enormous size of their crops are some of the most obvious problems. The modernization that allows the entry of high technology in coffee production centers gives rise to a new kind of professional farmers rich. In this third stage of decay is evident traditional farmer.



The business of coffee on a Sunday holiday, Cajamarca, Tolima.

The story of Colombia's integration into the international market illustrates the limitations and possibilities of a dependent capitalism. The Colombian capitalism was unable to evolve as a modern European capitalism (thesis Palacios, et. Al). Modernization took place without industrialization, not proletarian workers, to the extent that migration was as a resource to contain the polarization and social conflict.

The recent struggles in the business provide a model for understanding a wide range of phenomena within the contemporary phase of globalization. Especially

important to understand how local traditions are absorbed in the calculations of political economy by trying to gain monopoly rents. It also raises the question of what part of the local interest in innovation and reinvention of local traditions are linked to the desire to extract and appropriate these rents. Since capitalism is seduced by the lucrative prospects of monopoly powers, a distinction this contradiction: the greedy globalists support local developments that have the potential to yield monopoly rents (although the effect of such support is to produce a climate local political antagonistic to globalization).



**Juan Valdez, the character symbol
Colombian coffee growers,
Created in 1959.**

In our time highlight the uniqueness of organic coffee and drag properties to the economies of tourism. But what happens when it promotes a social movement of resistance against the marketing? This is a situation of smaller scale, however, affect urban development. The story of Juan Valdez ® brand also includes a positive part of the history of coffee in the era of globalization, however, that international developments to mobilize economies of scale in parallel the quality of

life and incomes of a majority of the coffee population. In this particular case, we have a complex history whose narrative of winners, is not complete.

Coffee policy should be placed at the level of globalization. During the decades following the eighties the business of coffee has gained national and international importance. We refer to this pattern of behavior of urban governance that blends state powers (local, regional, national or supranational) with a wide range of forms of organization.



Coffee pickers.

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Tables

ÁREA CULTIVADA CON CAFÉ

Miles de hectáreas por departamento. Datos a septiembre de cada año

	2002	2003	2004	2005	2006	2007	2008	2009	2010*
Antioquia	128.0	128.1	129.3	129.8	126.3	126.9	129.1	130.6	131.1
Boyacá	11.4	11.2	11.1	11.0	10.8	11.1	10.7	11.0	11.1
Caldas	88.8	88.5	90.9	89.5	89.1	87.7	85.0	83.9	81.9
Caquetá	n/d	n/d	n/d	n/d	n/d	2.8	2.8	2.8	2.8
Casanare	n/d	n/d	n/d	n/d	n/d	2.6	2.6	2.6	2.6
Cauca	65.7	68.5	69.9	68.9	68.0	67.8	69.8	73.3	76.2
Cesar	22.4	22.2	21.8	21.5	21.1	21.5	21.9	22.5	24.2
Chocó	n/d	n/d	n/d	n/d	n/d	0.2	0.2	0.2	0.2
Cundinamarca	55.4	54.3	53.2	52.0	50.9	48.2	48.9	48.9	49.4
Guajira	4.6	4.7	4.9	5.0	4.4	5.1	5.1	5.2	5.3
Huila	78.2	82.2	93.9	95.9	95.1	98.1	102.5	105.0	117.8
Magdalena	17.5	17.6	17.7	18.0	18.3	17.1	17.6	18.5	18.9
Meta	n/d	n/d	n/d	n/d	n/d	2.4	2.4	2.3	2.6
Nariño	23.0	24.5	26.1	26.5	26.8	27.4	29.0	31.0	33.5
N. Santander	32.1	32.1	32.1	32.1	32.1	32.1	32.6	33.6	34.0
Quindío	44.5	44.7	44.6	43.0	44.0	43.3	42.4	39.8	43.4
Risaralda	59.4	58.6	57.8	56.9	56.2	55.4	54.4	54.3	52.9
Santander	42.1	42.4	42.8	43.3	41.2	41.1	41.5	42.7	44.6
Tolima	105.6	105.4	105.3	105.2	105.1	104.3	102.8	103.9	106.8
Valle	86.5	85.9	85.3	84.7	84.1	82.5	77.5	75.8	75.1
TOTAL	865.14	870.83	886.65	883.33	873.50	877.55	878.77	887.66	914,41*

* Datos a diciembre de 2010. Fuente: Federación Nacional de Cafeteros de Colombia

VOLUMEN DE LAS EXPORTACIONES COLOMBIANAS DE CAFÉ SEGÚN PAÍS DE DESTINO

Miles de sacos de 60 Kg de café verde equivalente

PAÍSES	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
AMÉRICA											
Estados Unidos	2,956	3,061	3,441	3,623	3,560	3,974	3,793	3,864	4,163	3,177	3,073
Canadá	432	531	533	513	593	645	590	555	576	484	570
Argentina	28	27	7	11	10	7	7	8	8	7	5
EUROPA											
Alemania	1,727	1,860	1,767	1,642	1,383	1,420	1,457	1,550	1,136	457	335
Bélgica	485	741	486	531	543	664	615	776	710	519	571
Italia	228	234	257	255	285	409	392	410	392	141	108
Reino Unido	232	238	308	296	282	368	440	483	471	323	292
Suecia	223	271	265	247	266	262	296	291	266	188	130
Países Bajos	238	260	214	268	208	166	218	220	131	62	52
España	228	191	256	249	217	228	277	338	282	196	209
Finlandia	110	184	180	134	187	166	229	220	224	95	117
Francia	306	320	242	193	159	136	159	186	158	186	158
Dinamarca	98	86	109	105	116	74	73	59	54	21	19
Polonia	85	56	32	58	20	28	65	80	80	12	10
Portugal	13	19	20	21	20	20	23	27	40	10	4
Austria	17	18	17	15	15	4	1	1	0	0	0
Grecia	13	13	18	13	17	16	15	16	22	12	5
Noruega	70	103	126	136	161	130	139	153	116	101	115
Suiza	19	44	35	19	12	33	5	1	0	0	0
OTROS PAÍSES											
Japón	1,268	1,202	1,459	1,394	1,618	1,525	1,513	1,325	1,415	1,285	1,401
Corea del Sur	122	104	101	134	149	170	167	205	233	218	267
Australia	24	28	32	36	39	42	48	54	58	45	55
Otros (3)	285	384	370	396	405	384	423	481	550	356	326
TOTAL	9,206	9,974	10,274	10,289	10,263	10,871	10,945	11,301	11,085	7,894	7,822

Fuente: Federación Nacional de Cafeteros de Colombia